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Ofrice of the Director

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MEMORANDUM FOR: The President

SUBJECT : Salzburg

- 1. This memorandum is intended to provide you with our projection of what President Sadat hopes to gain from his meeting with you at Salzburg and of what his most likely course of action will be if he does not receive satisfaction. It is based on our view that Sadat has only a narrow range of options before him, that he can no longer tolerate a prolonged stalemate, and that, while he knows and applauds US intentions in negotiations, he has now reached the point at which he must have US action to bring about Israeli territorial concessions if he is to refrain from a decision to go to war.
- 2. Second-guessing the intentions of heads of states is the bane of the intelligence analyst. In Egypt, we are at the mercy of Sadat's public interviews and speeches of what he wants us to hear, in effect and we obtain only rare glimpses of the private Sadat. Sadat wears his heart on his sleeve more than most of his counterparts, but determining his moods, his view of the forces at work in the Middle East, and his perception of the pressures on him is nonetheless an imprecise art. We know little, moreover, of the Egyptian military establishment of its morale; its willingness to fight or its inclination to press Sadat to fight; its perceptions of the serious risks involved in restarting the war. The following analysis is thus an interpretation, based on some facts but also relying heavily on impressions.

Looking Toward Salzburg

- 3. Sadat will look basically for two things during his meeting with you in Salzburg:
 - --a sign that the US is not just prepared to undertake a fundamental change in its policy toward Israel but is actively doing so and, closely linked with this,
 - --some reassurance that the US and the Soviet Union are not jointly engaged in an effort to prolong the negotiating stalemate.

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- 4. Sadat accepts the fact that the US has a special containship with israel; he too redegnizes that it is only by virtue of these ties that we hold any leverage or Israel. At the same time, however, he cannot really understand why the relationship should exclude equally warm ties with Egypt or must entail heavy armament of Israel. Sadat does not believe Israel's 1967 borders are threatened; he has recognized its borders and its existence, and he believes the US understands this. He has thus come to wonder again whether the US, knowing that Egypt does not intend the destruction of Israel, might after all have armed Israel to facilitate its continued occupation of territory outside the 1967 borders.
- 5. Sadat's concerns about the US relationship with Israel involve far more, however, than arms, which are only its most tangible manifestation. Sadat believes firmly in the justice of the Arab demand that Israel withdraw from the occupied territories. In more practical terms, he believes that the other Arabs, particularly Syria and the Palestinians, will never allow Israel or the US -- or indeed Egypt -- an enduring peace until this withdrawal has been accomplished. He feels that the Arabs have amply demonstrated this reality to the US and that it is therefore in our interest -- as much as it is in the Arabs' -- to press Israel for a total withdrawal.
- 6. We are persuaded that Sadat is genuinely convinced of the sincerity of US efforts thus far to achieve a peace settlement, and he is, we believe, entirely sympathetic both with our difficulties

and with the problem of US executive-legislative cirferences over Middle East issues; these difficulties are all too reminiscent of his own inability to forge a unified Arab strategy and to force the other Arabs to accept the need for compromise. But Sadat believes he has been more than patient with the US, that he has done all in his power to facilitate diplomatic progress — to the point of endangering his relations with the Arabs and with the Soviet Union — and that more is required of us if negotiations are to proceed at all. It is "high time," he recently declared, with a bluntness reminiscent of his speeches before the 1973 war, that the US clearly define its position.

7. This involves, in his estimation, not only fewer arms for Israel, but a more balanced relationship with Egypt and a recognition of the Palestinians, not merely as a matter of right but as a matter of necessity. Sadat will thus seek from

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you -- as a measure of the fundamental change in policy or relieves should be occurring in the US -- not a pledge that we will continue to press for concession from Israel but the specifics that could give substance to such a pledge:

- --public affirmation of a US policy calling essentially for an Israeli return to the 1967 borders with some adjustments:
- --an assurance that we are prepared to invite the Palestine Liberation Organization to attend the Geneva conference;
- --an indication of a willingness on our part to supply financial aid and, more particularly, some arms to Egypt.
- We believe Sadat would consider his talks with you a success if he achieved satisfaction on any one of these issues. A statement of a US belief in the necessity for virtually complete Israeli withdrawal would, it goes without saying, constitute what Sadat could claim was a major political coup for the Arabs. Even if this did not facilitate progress in negotiations -- as it probably would not immediately -- it would be likely for a considerable time to turn Sadat's attention from consideration of renewed hostilities. A decision to invite the PLO to Geneva would be seen as an earnest of our desire for negotiations. Sadat recognizes the reasons for the US hesitation to do this and accepts Israel's reluctance to negotiate with the PLO; he has tried repeatedly himself to press an accommodation on the PLO and its supporters among the Arabs. But his efforts have been fruitless -- even Soviet efforts have failed -- and he now seems to think that it is the turn of the US to compromise.

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to justify to his critics his continued reliance on the US and his continued forebearance from war.

- US is ready to undertake discussions for another disengagement in the Sinai Perinsula, but he does not believe that Israel is ready to meet his terms and does not seem to believe that we can alter the Israell position in the near term. He is not likely to engage in another round of highly visible disengagement talks without the near certainty of a favorable outcome. We therefore believe that any US initiative on this score, in order to satisfy Sadat's search for a basic change in US policy, would have to be undertaken along with one or more of the initiatives described above.
- 11. In a related but somewhat less critical vein, Sadat is also likely to seek assurances from you that we have not reached a mutual understanding with the Soviets to freeze the situation. We have seen no evidence of Egyptian discomfiture over the announcement of a US-Soviet agreement to postpone the opening of the Geneva conference until late August or early September, but it is evidence of this sort of cooperation that has in the past caused Sadat to despair of progress in negotiations.
- 12. From Sadat's perspective, full US-Soviet cooperation is as dangerous and as unproductive of movement in negotiations as is serious polarization. Detente and the resulting absence of US or Soviet efforts to further negotiations in 1972 and 1973 played a major part in Sadat's decision to regain the superpowers' attention in the only way he knew how by going to war. Too close an identity of US-Soviet views on the Middle East could thus increase Sadat's suspicions of US motives, and he would welcome some indication that we are not in full agreement with Moscow.

Beyond Salzburg

13. Sadat knows the risks, political and military, involved in renewed warfare, and he appreciates how difficult it will be for us to restart negotiations and carry them through to a successful conclusion. Yet these are his only alternatives if he is not to accept a prolonged stalemate and a return to the no war/no peace situation. While Sadat recognizes our problems, he will expect us to recognize his -- to recognize that he cannot for long accept a stalemate and that his only means of moving Israel are through us or by more direct means, through war.

14. We believe that at this moment Sadat does not, fra know where to go, and for this reason, if he comes away from Salzburg without satisfaction on the issues raised above — without an indication of where he can go with our assistance it is very likely that he will decide for more direct unilated action. We do not find a necessary contradiction between our belief, on the one hand, that Sadat credits the US with	 - en
our belief, on the one hand, that Sadat credits the US with trying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and, on the ottrying as hard as it can to move the Israelis and the ottrying as hard as it can to move the Israelis and the ottrying as hard as it can to move the Israelis and the ottrying as hard as it can to move the Israelis and Israeli	
trying as hard as it can to move the islating and, on that he intends to move them himself if the US does not soon	
succeed.	

- 15. We find it difficult, however, to pinpoint the likely timing of any decision to give the go-ahead for war. Arguments can be advanced with almost equal cogency on the side of delay and on the side of virtually immediate action.
- by starting the Egyptian economy on the road to post-war recovery, engaging the material assistance of the US and Europe in reopening the Suez Canal, and winning the goodwill of the US and much of the rest of the world by his show of a desire for a settlement with Israel. All of this would be lost or endangered by resort to warfare, and Sadat would not easily or frivolously discard so much of what he has worked to achieve. In a war, moreover, the Egyptians would risk forfeiting the territorial gains they have already made.
- above the 1973 levels and is now stronger vis-a-vis the Arabs. He apparently believes, however, that Egypt could go on the offensive for a few days, seize limited terrain objectives, and then, as the other Arabs entered the battle, go over to the defense and survive the Israeli counterattack. The Egyptians undoubtedly perceive risk in this but apparently do not see the degree of risk we do. Our judgment is that Israel would likely react by seeking the total destruction of the Egyptian armed forces, as well as the Syrians if they become involved. Israel is not likely to be deterred by the threat of an Arab oil embargo or by any Arab enunciation of limited objectives.
- 18. There are pressures on Sadat--the internal, intangible sort of pressures felt by a leader with a task still uncompleted, as well as the more direct produces metal by an important military establishment and an Arab constituency that deposits however reductantly, on Sadat alone to regain Arab territoria.

by some means. Facing him next year here also the OS electoral tempaign and the expiration of his own presidential term. These pressures could outweigh the risks involved in starting a war that might again spur progress in hogotiations.

- 19. Sadat would regard a war as designed most immediately to shock Israeli citizens and leaders into accepting territorial withdrawals as the only means of obtaining peace. This was his secondary aim in 1973; his first goal was to bring the US to the same realization. He now believes that the US recognizes the need for more Israeli withdrawals but that Israel itself has forgotten the trauma of 1973. A war, he no doubt believes, would bring back the memory and might, not merely incidentally, facilitate new US efforts to negotiate an Israeli withdrawal.
- 20. Sadat might also regard a war, in the absence of negotiating progress, as necessary not so much to bring benefits as to prevent greater evils. Sadat would face countless problems if he consciously opted to tolerate a no war/no peace situation for any extended period. He already worries, not unjustifiably, about attempts at subversion by radical Arabs like the Libyans and Palestinians, by the Soviets, and by disgruntled elements within Egypt. Dissatisfaction with the no war/no peace situation is rising again in Egypt, and discontent over economic grievances is certain to fester unless the population has either war or visible progress toward peace to divert its attention. The Egyptian military, moreover, would probably not long be content to let the situation remain stalemated and would pressure Sadat heavily for a resumption of hostilities. This is particularly true if, as we believe, he has already alerted them once for action.
- 21. It is impossible to determine the precise point at which all of the pressures on Sadat might coalesce into a decision for war. He used many devices to resist these same pressures before finally going to war in 1973, but we feel he has less time now, fewer devices, less flexibility, and less reason to expect results from negotiations if he gets no satisfaction from the Salzburg meeting.
- 22. We are persuaded that there is real danger that what Sadat has alluded to as his "counterplan" for Israel's strategy of delay is ready to be put in motion, subject to what

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happens at Salzburg. The timing of its execution might be governed by the need to achieve some element of surprise, and Sadat could pretend to be relaxed for weeks or even a few months, using the canal-opening festivities, your follow-on talks with Rabin and even a midsummer resort to the United Nations to dissipate apprehension about Egypt's next step. He could just as well make the canal-opening the occasion for a massive incursion onto the canal's east bank, with or without opening fire or attempting to seize the passes.

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W. E. Colby Director